

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-210-C - ORDER NO. 2008-537

JULY 30, 2008

IN RE: Joint Application of STi Prepaid, LLC and)	ORDER APPROVING
Sprint Communications Company L.P. for)	JOINT APPLICATION TO
Approval to Transfer Certain Assets of Sprint)	TRANSFER CERTAIN
Communications Company L.P. to STi)	ASSETS AND WAIVING
Prepaid, LLC)	ANTI-SLAMMING
)	REGULATIONS

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the joint application of STi Prepaid, LLC (“STi”) and Sprint Communications Company L.P. (“Sprint”) (jointly “Applicants”) for expedited authority to transfer certain assets from Sprint to STi and to waive anti-slamming regulations.¹ Specifically, on April 7, 2008, Sprint and certain affiliates (collectively “Sellers”) entered into an Asset Purchase Agreement with STi in which the Sellers agreed to transfer all of their assets related to the provision of prepaid calling services, including tangible prepaid card inventory, customer agreements and contracts, vendor agreements, prepaid card point of sale and promotional materials, and personal identification numbers used to make prepaid calling card calls. Notice of this matter was published in *The Greenville News*, *The State*, and *The Post and Courier* newspapers in conformity of the Commission’s requirements.

¹ STi was granted authority to provide intrastate resold telecommunications services in South Carolina by Order No. 2007-498 (July 31, 2007).

According to the Applicants, this transaction will not result in any change of control or ownership of either Sprint or STi. Additionally, both carriers will continue to offer intrastate telecommunications services in South Carolina pursuant to their authority granted by the Commission. The parties also maintain that once the transaction is complete, any prepaid calling cards remaining in the market which list Sprint as the provider of the service will continue to be useable by consumers, with STi now offering the services associated with these cards. Sprint asserts that it will not remove its prepaid service from its South Carolina tariff until either twelve (12) months after the closing date of the transaction or twelve (12) months after the date the retailer who sold the prepaid cards is transitioned from Sprint marked cards to STi marked cards. STi ensures that Sprint's prepaid calling card customers will continue to enjoy the same high quality service with an array of features. In summary, the parties state that the transaction between Sprint and STi will not impact consumers currently using Sprint's prepaid calling cards because these previously issued cards will continue to be valid without interruption or change in their rates, terms, and conditions.

In addition, Sprint requests waiver of the individual customer notification of a change in service provider required by anti-slamming regulations, since it has no knowledge of the identity of the persons that use its prepaid calling card services. Slamming is a practice that occurs when a company changes a subscriber's carrier selection without that subscriber's knowledge or explicit authorization. The regulations governing slamming are found in the Code of Federal Regulations Truth in Billing

requirements. 47 C.F.R. §§ 64.2400-64.2401. Carrier liability for slamming is discussed at 47 C.F.R. § 64.1140 and S.C. Code Ann. § 58-3-230(C) (Supp. 2007).

Authority to govern slamming is granted to state commissions by 47 C.F.R. § 64.1100(f). As a result of this authority given to state commissions, South Carolina established provisions under S.C. Code Ann. Regs. § 58-3-230 (Supp. 2007) regarding the unauthorized change of a service provider. This provision states in part:

A utility... may not submit a change request for a customer's utility service until the customer's authorization for the change is obtained by using marketing or anti-slamming guidelines approved by the appropriate federal and state regulatory agencies. In the case of utilities defined by Section 58-9-10, the appropriate regulatory agencies are the Federal Communications Commission and the South Carolina Public Service Commission....

However, without knowledge of who its individual prepaid calling card customers are, it is impossible for Sprint to follow this regulation. To remedy this situation, Sprint intends to post a notice on its website informing consumers who have purchased its prepaid calling cards that STi is now the provider of that service.

FINDINGS OF FACT AND CONCLUSIONS OF LAW:

1. We find that the transaction between Sprint and STi will not impact consumers currently using Sprint's prepaid calling cards. Since no parties intervened after notice in newspapers of general circulation, and since this transaction will be seamless for Sprint prepaid calling card customers, we additionally find that a full hearing in this matter is unnecessary.

2. We find that the transaction between Sprint and STi is in the public interest by ensuring consumers continue to have a wide range of telecommunications choices in the prepaid calling card market.

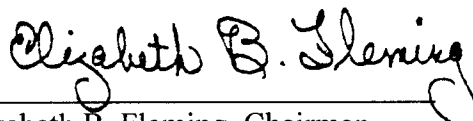
3. We find that the anti-slamming requirements of S.C. Code Ann. Regs. § 58-3-230 (Supp. 2007) present an unusual hardship because Sprint has no knowledge of who its individual prepaid calling card customers are and is therefore unable to notify them of a change in their service provider. For this reason, we conclude that this regulation is waived pursuant to S.C. Code Ann. Regs. 103-804 (Supp. 2007).

IT IS THEREFORE ORDERED:

Expedited review is granted. The joint application of STi Prepaid, LLC and Sprint Communications Company L.P. for authority to transfer certain assets from Sprint to STi is approved, and the regulation governing waiver of anti-slamming regulations is waived.

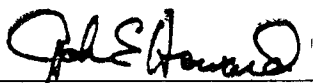
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Elizabeth B. Fleming, Chairman

ATTEST:



John E. Howard, Vice Chairman

(SEAL)